



LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

Compiled Financial Statements

of

OPERATION REACH, INC.

For the Twelve Months Ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/3/05



LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

To the Board of Directors
Operation REACH, Inc.
New Orleans, LA

We have compiled the accompanying statement of financial position of Operation REACH, Inc. (a non-profit organization) as of December 31, 2004, and the related statement of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Luther C. Speight & Company, L.L.C.

July 12, 2005

OPERATION REACH, INC.
Statement of Financial Position
As of December 31, 2004

ASSETS

Current Assets

Cash In Bank	\$ 38,360.70
Grants and contracts receivable	<u>27,741.67</u>

Total Current Assets 66,102.37

Fixed Assets

Furniture & Fixtures	2,320.97
Office Equipment	1,000.00
Vehicles	30,303.20
Accumulated Depreciation	<u>(8,274.54)</u>

Total Fixed Assets 25,349.63

TOTAL ASSETS \$ 91,452.00

LIABILITIES & NET ASSETS

Current Liabilities

Accounts Payable	<u>\$ 2,008.75</u>
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Total Current Liabilities 2,008.75

Long Term Liabilities

Notes Payable -GMAC	<u>5,634.78</u>
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Total Long Term Liabilities 5,634.78

Total Liabilities 7,643.53

Net Assets

Unrestricted Net Assets	58,458.64
Fixed Assets	<u>25,349.63</u>

Total Net Assets 83,808.47

TOTAL LIABILITIES & NET ASSETS \$ 91,452.00

See accompanying accountant's compilation report.

OPERATION REACH, INC.
Statement of Activities
For the year ended December 31, 2004

REVENUE	
Grant Income	\$ 65,605.13
Program Fees	104,807.71
Contributions	1,725.00
Other Income	<u>975.00</u>
TOTAL REVENUE	<u>173,112.84</u>
EXPENSES	
Program Services:	
Contract Labor	54,212.27
Professional Services	2,470.00
Advertising Expense	750.00
Educational Supplies	3,307.88
Office Rent	6,100.00
Office Supplies	222.93
Postage & Delivery Costs	217.73
Copying & Printing	239.52
Travel	5,854.30
Depreciation Expense	<u>6,725.54</u>
Total Program Services	<u>79,900.15</u>
Support Services:	
Salaries & Wages	21,084.00
Communication Expense	8,051.06
Transportation	700.00
Insurance	4,229.60
Office Expenses	3,218.61
Staff Training & Development	100.00
Bank Service Charges	<u>55.60</u>
Total Support Services	<u>35,438.87</u>
Total Expenses	<u>115,339.02</u>
Changes in unrestricted net assets	57,773.82
Unrestricted net assets, beginning of year	<u>26,034.65</u>
Unrestricted net assets, end of year	<u>\$ 83,808.47</u>

See accompanying accountant's compilation report.

OPERATION REACH, INC.
Statement of Cash Flows
December 31, 2004

OPERATING ACTIVITIES	
Change in Net Assets	\$ 57,773.82
Adjustments to reconcile Net Assets to net cash provided by operations:	
Increase in Depreciation Expense	6,725.54
Increase in Accounts Receivable	(27,741.67)
Net cash provided by Operating Activities	<u>36,757.69</u>
INVESTING ACTIVITIES	
Increase in Fixed Assets	
Vehicles	(9,303.20)
Net cash provided by Investing Activities	<u>(9,303.20)</u>
FINANCING ACTIVITIES	
Increase in Notes Payable	
Notes Payable - GMAC	5,199.89
Net cash provided by Financing Activities	<u>5,199.89</u>
Net cash increase for period	32,654.38
Cash at beginning of period	<u>5,706.32</u>
Cash at end of period	<u><u>\$ 38,360.70</u></u>

See accountant's compilation report.